

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE PETITION OF)	
QWEST CORPORATION FOR THE)	CASE NO. QWE-T-05-10
FURTHER CONSOLIDATION OF RATE)	
CENTERS IN SOUTHERN IDAHO)	ORDER NO. 29799
)	

On April 29, 2005, Qwest filed a Petition requesting an Order authorizing the consolidation of its Meridian and Boise rate centers. The rate centers do not have identical local calling areas, and consolidation of the two centers would require the Commission to approve expansion of the local calling areas of the Kuna, Meridian, Middleton and Star exchanges. Customers in the Boise and Idaho City exchanges have toll-free extended area service (EAS) to the Lowman exchange, while customers in the Meridian rate center do not. Service is provided in Lowman by Cambridge Telephone Company. Qwest in its Petition proposed that the Commission grant one-way EAS between its exchanges and the Lowman exchange, but also asserted it would implement two-way EAS without compensation for lost access and toll revenues if Cambridge Telephone decided to expand the Lowman EAS to include the Meridian exchanges. The Commission, on May 11, 2005, issued a Notice of Petition and Notice of Modified Procedure to establish a process for Qwest's Petition.

The Commission previously investigated consolidation of rate centers as a way to conserve NXX prefixes. In February 2001, the Commission issued Order No. 28943, which consolidated rate centers in Qwest's service area. The Boise rate center approved in that proceeding includes the Boise and Idaho City exchanges, and the Meridian rate center includes the Kuna, Meridian, Middleton and Star exchanges. Qwest's Petition asserts that consolidation of the Boise and Meridian exchanges is necessary for it to port local numbers between Boise and Meridian for its customers.

The Notice issued by the Commission invited written comments and provided a time period for filing comments. Staff filed comments recommending the Commission approve Qwest's Petition for consolidation of the Boise and Meridian rate centers. Staff also recommended that two-way EAS be implemented between Cambridge Telephone's Lowman exchange and the Qwest exchanges in the Meridian rate center, with each company bearing any cost to implement EAS. Cambridge Telephone also filed written comments. Cambridge stated it

is willing to extend two-way EAS from its Lowman exchange to the Meridian rate center. Cambridge stated it would not seek reimbursement for its immediate costs of implementing EAS, but did request reimbursement from the state Universal Service Fund (USF) for lost access revenues in the amount of \$1,404 per year.

Based on the record presented, the Commission has determined it is appropriate to approve Qwest's Petition for consolidation of the Boise and Meridian rate centers. The Commission previously determined that rate center consolidation will help preserve NXX prefixes, and we would expect consolidation of the Boise and Meridian rate centers to assist in achieving that objective. It is also undisputed that consolidating the Boise and Meridian rate centers is necessary to enable Qwest to port local numbers between the Boise and Meridian exchanges.

Finally, the Commission has determined it is appropriate to approve the resulting EAS between Lowman and the Meridian exchanges where both Qwest and Cambridge Telephone expressed a willingness to implement the EAS. Both companies agreed to bear the immediate costs of implementing the EAS, and the only cost issue is Cambridge's request for compensation of lost access revenue from the state USF. The Commission in other cases has approved USF funds to compensate lost access revenue, and it may be appropriate to do so in this case. The Commission Staff currently is conducting an audit of Cambridge Telephone, and so long as the audit does not indicate Cambridge is earning a larger rate of return than authorized by the Commission, Cambridge can receive compensation for its lost access revenue from the state USF. The Company identified that amount as \$1,404 per year.

The Commission issues this Order approving consolidation of Qwest's Boise and Meridian rate centers; and expanding the local calling area of the Kuna, Meridian, Middleton and Star exchanges to include Lowman by implementing two-way EAS between the Qwest exchanges and the Cambridge Telephone Lowman exchange. The Commission approves recovery of lost access revenue and authorizes Cambridge to be reimbursed from the state USF in the amount of \$1,404 per year; conditioned on the results of an audit currently underway by Staff.

ORDER

IT IS HEREBY ORDERED that the Petition of Qwest Corporation for consolidation of the Boise and Meridian rate centers is approved. As part of the consolidation, the

Commission further orders implementation of two-way EAS between Qwest's Meridian, Star, Middleton and Kuna exchanges with the Lowman exchange served by Cambridge Telephone. The Commission approves recovery of lost access revenue for Cambridge Telephone and authorizes Cambridge to be reimbursed from the state USF in the amount of \$1,404 per year, conditioned on the results of an audit currently underway by Staff.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

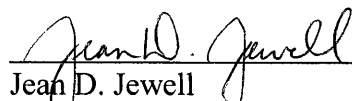
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 14th day of June 2005.


PAUL KJELLANDER, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


DENNIS S. HANSEN, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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